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SUBJECT: CODEL HYDE VISIT TO FINLAND

Introduction and Summary

1. (U) CODEL Hyde -- House International Relations Committee Chairman Henry Hyde (R-IL), HIRC Minority Leader Tom Lantos (D-CA), Representative Melvin Watt (D-NC), Representative Darrell Issa (R-CA), and Representative Diane Watson (D-CA) -- visited Finland, May 29-31. On May 30, the CODEL met with Finnish Parliament Speaker (and former PM) Paavo Lipponen, the Parliament's Foreign Affairs Committee, and Foreign Minister Erkki Tuomioja. The Finns, who strongly support inter-parliamentary exchanges, warmly welcomed the Delegation and each of the CODEL's interlocutors stressed the political, economic, environmental, and security importance of the trans-Atlantic relationship.

2. (U) Issues covered included the French "no" vote on the EU's Constitution Treaty May 29; the EU's China arms embargo; Finland's relationship with NATO; environmental protection, particularly in the Arctic; the role nuclear power has to play in the world's energy supply; and developments in Russia. Representative Lantos said the Congress finds it "appalling" that the nations to whose aid the United States came to during World War II should consider lifting the EU China arms embargo for what are in fact "crass commercial reasons." On NATO, Lipponen and Foreign Affairs Committee Chair Jaakonsaari -- both of whom are widely believed by the Finnish public to be gently nudging the nation toward Alliance membership -- were non-committal in replying for the record to the Delegation's pointed questions about the value of Finnish non-alignment in the 21st Century (although Jaakonsaari caused general laughter by giving the Delegation a hearty thumbs-up when the CODEL made the case for membership). For his part, FM Tuomioja said he doubted the question of NATO membership would arise even in the next Parliamentary term (2007-2011). The Finns, who now are building a fifth nuclear reactor, agreed with the CODEL that nuclear power has an important role to play in the search for cleaner (low-carbon) energy sources. On Russia, the CODEL's Finnish interlocutors expressed guarded concern about both political trends and the environment, but said Finnish-Russian bilateral relations are good. The Delegation's Finnish interlocutors all spoke positively of the EU's Northern Dimension, and Lipponen and Tuomioja reiterated Finnish interest in the Enhanced Partnership in Northern Europe. End Introduction and Summary.

Meeting with Speaker Lipponen

3. (U) Parliament Speaker Paavo Lipponen, who is also well known to CODEL members from his days as Finnish Prime Minister (1995-2003), hosted a working breakfast for the Delegation. Lipponen spoke of the United States as a "pioneer democracy," whose lead Finland has followed. He said a window of opportunity now existed for better trans-Atlantic relations. There is bipartisan support on the Finnish side for closer cooperation on everything from the Middle East to energy issues. Chairman Hyde responded that inter-parliamentary meetings are an important part of this process, as they help legislatures understand each other and each other's perspectives. Lipponen noted the June, 2004 trip to the United States of all of the Nordic/Baltic speakers, which has broadened contacts in the months since.

4. (U) Turning to that morning's headlines on the French referendum, Lipponen said that although the European project is not perfect, the "no" vote tells us more about France and the French than about Europe. EU member nations, he said, need time to reflect -- on what the geographic limits of Europe should be, and on how much power to give to Brussels. That said, the European Union cannot put its Common Foreign and Security Policy, or its partnership with the United States, on hold. Nor does it need to: the treaty is an exercise in codification; it will streamline decision-making and make it more democratic (incidentally giving more power to France in the process); but the EU can move forward on the basis of existing arrangements.

5. (U) Lipponen said Finland is particularly concerned about the EU's relationship with Russia. He reiterated the Finnish view that Moscow deals too much with the EU member nations on a bilateral basis; the countries of the Union should have an EU-wide agreement on all of the basic issues affecting their relations with Russia. Finland's main contribution has been

the Northern Dimension, which has been most successful in the environmental sphere, including in the nuclear area. The U.S. contribution has been the Northern Europe Initiative, followed by the Enhanced Partnership in Northern Europe, and the Finns are anxious to continue and expand "e-PINE" cooperation.

16. (U) On economic issues, the Speaker said that Finland sees itself as a kind of liberalizing influence within the EU, countering German and French protectionism. ("I won't speak of the United States.") But Finland's economy needs reform, too -- unemployment is still too high and pension systems need to be more sustainable. He noted that the upcoming G-7/G-8 meetings will be very important, especially in the energy field: the world needs a global energy policy that is more diverse and better able to protect the environment. Nuclear power has a role to play, he added. Finland is something of an anomaly in nuclear-averse Europe: it has four reactors and is building a fifth.

17. (U) Representative Issa asked about Lipponen's vision for Finland's pending medical reform bill, which is expected to contain better protection for the intellectual property rights of pharmaceutical companies. How does Finland plan to balance cost of pharmaceuticals with protection for those who invent and invest? Lipponen said that the major pharmaceutical companies are a significant part of the Finnish economy, and it is important that they remain in Finland. Finland wants to develop its biotechnology sector, and realizes that IPR protection is the key.

18. (U) Asked by Representative Watson for his views on NATO membership, Lipponen said that for Finland, which is "on the border of a very sensitive region," territorial defense remains a fundamental principle in its national security. The Finns spend close to 2% of GDP on defense, and have retained universal male conscription, with the result that the nation could mobilize a force of 300,000 men, one of the best-educated armies in the world. At the same time, Finland is participating "without reservation" in European defense cooperation, with Finnish troops to join two EU battle groups. Finland retains NATO membership as an option, and will be following NATO's evolution closely, while cooperating closely with the Alliance and participating in the Partnership for Peace.

19. (U) Representative Lantos noted that a great degree of good will and admiration for Finland exists among the U.S. people and Congress -- so it disturbs us that in Finland and elsewhere in Europe, there is so much anti-Americanism. It is "perverse" that the U.S., which forms the cornerstone of international security, should be the object of so much criticism, including from some of Europe's leaders. Lipponen acknowledged that one can find a degree of anti-Americanism in Finland today, but Finns are uneasy about "old Europe's" confrontational attitude toward the U.S. The Finnish government and parliament want good relations with the United States -- he noted that even the leader of the Left Alliance, the party that absorbed the old Finnish Communist party, considers herself a friend of the U.S.

110. (U) Lipponen conceded that there had been opposition in Finland to Operation Iraqi Freedom, which had also been used against him as PM: in the elections of March 2003 challenger Anneli Jaatteenmaki of the Center Party had accused Lipponen of "collaborating" with the U.S. But no matter how one felt about OIF, he stressed, it is in no one's interest for the U.S. to fail in its efforts to aid democracy in Iraq and the region, and the Europeans must do more.

111. (U) Representative Watt turned to the CODEL's May 31-June 2 visit to Moscow and meetings with the Russian Duma. What issues should the Delegation address in those meetings? Lipponen said that Russia is experiencing economic progress, and at the same time social "degradation." President Putin is attempting to lift Russia out of the hands of the local satraps, oligarchs, and organized crime, but what he is doing may not be the best way. In a nation as large as Russia, the president must be able to delegate a great deal of authority to regional administrations. Lipponen added that Finland is also concerned about the upsurge in Russian nationalism, especially following the tragedy in Beslan. That said, Finland's own bilateral relations with Russia are good, and the Finns believe the May EU-Russia summit was very successful.

112. (U) Representative Watson voiced concern that the phenomenon of global warming has still not received the level of intensive research that it deserves, and said she hoped that nations can come together on a common approach. Representative Issa, referring to cooperation within the Arctic Council, asked whether Lipponen thought the U.S. was doing enough to protect the Arctic. It sometimes seemed, Issa remarked, that U.S. legislators think of the Arctic only in terms of its oil reserves. The Speaker urged the U.S. to do more in the area of energy efficiency and diversification.

Issa, who chairs the Subcommittee on Energy and Resources of the House Government Reform Committee, noted that if the United States had built every nuclear power plant that had been on order at the time of Three Mile Island, we would be Kyoto-compliant today. Lipponen agreed that one cannot say "renewable energy is good, nuclear energy is bad." Finland's experience shows that nations can safely produce nuclear energy. Critical rhetoric is sometimes hypocritical: the Swedes "made a big deal" of closing two reactors, but at the same time raised capacity in existing reactors, so that overall Sweden now gets seven percent more of its power from nuclear sources than before.

Meeting with the Eduskunta's Foreign Affairs Committee

13. (U) The CODEL met with the Foreign Affairs Committee of Finland's unicameral parliament, including Committee chair Liisa Jaakonsaari (SDP), Vice Chair Kimmo Kiljunen (SDP), Eero Lankia (Center), and Ulla Anttila (Greens). In welcoming the CODEL, Chairwoman Jaakonsaari noted her Committee's belief that enhancing U.S.-Finnish cooperation and the U.S.-European dialogue is a matter "of paramount importance."

14. (U) Chairman Hyde asked what issues the CODEL should raise with counterparts in the Duma. Jaakonsaari said the Delegation should ask how Russia sees the future of its neighbors, including Ukraine and Moldova. MP Kiljunen commented that a major transformation is taking place in the former Soviet Union -- in the case of Ukraine, Georgia, and Kyrgyzstan a real revolution. This welcome change has not extended to the frozen conflicts, however, and these conflicts could be dangerous to all of Europe, particularly since Russia is distancing itself from the OSCE. Jaakonsaari also said it would be useful for the Delegation to seek Russia's views on NATO enlargement.

15. (U) The Chairwoman went on to say that Arctic issues and the environment are among the biggest challenges in dealing with Russia. Russia currently chairs the Arctic Council, but its politicians have not shown much interest in the environment. Representative Issa agreed that Russia clearly puts exploitation of energy resources ahead of clean air and water. How can the West break through this mind set? Jaakonsaari said that the Northern Dimension has been one instrument. Its most successful project to date may be the St. Petersburg Southwest Wastewater Treatment Plant. MP Anttila remarked that local Russian environmental groups have been quite active, despite the great difficulty getting funding from Moscow.

16. (U) Chairman Hyde said that the global movement to nuclear power and alternate sources of energy is inevitable, particularly with China and India becoming major industrial powers. China has serious problems it is not beginning to address. One of the flaws of Kyoto was that it has different impacts on different nations. Jaakonsaari agreed, but cautioned that scaling back industrial production in order to lower pollution can have a disruptive effect on living standards. To reach fair agreements, governments have to show good will as well as the readiness to take unpopular steps. Representative Issa said that the Montreal Protocol taught the West a lesson: it lowered pollution in the developed world, but at the cost of a dramatic increase in the Third World, as production shifted. The United States supports the objectives of Kyoto, but the Protocol is flawed so badly that it is impossible even within the CODEL to debate it without the debate disintegrating into stalemate.

17. (U) Anttila asked what in the U.S. view should replace Kyoto. Issa stressed that the U.S. would like to work toward Kyoto compliance, noting however that the standard should be pollutants per output, and should cover total emissions -- without exempting, for example, New Zealand's home burning of wood. The nuclear debate must be part of any future international agreement. Anttila argued that many nations cannot reach the energy efficiency of a Finland. Issa countered that plenty of nations use "we can't" as an excuse for bad priorities. The United States can and should do more, granted. But Western nations should also get credit for the cleanup technology that they transfer to others for the common good, since air and water are global, not national, resources.

18. (U) Representative Lantos, who co-chairs the House Human Rights Caucus, thanked MP Anttila for her work as chair of a similar caucus in the Eduskunta. Representative Lantos then said that disagreement over Kyoto seems to be just one issue on a larger agenda of problems Europe has with the U.S. We are deeply puzzled by the anti-Americanism we have witnessed in Europe in recent years. Although the United States makes mistakes, it has been a constructive influence, and all our European friends should be glad the U.S. is the sole remaining superpower. Lantos also commented that it is a mistaken judgment for Finns to oppose NATO membership. (MP

Jaakonsaari -- whose support for Alliance membership is an open secret -- interjected her hearty agreement with a thumbs-up, to general laughter.) NATO might not lose much if Finland stays out of the North Atlantic Alliance, but Finland could lose a great deal, not least the protection of Article IV.

19. (U) MP Jaakonsaari declared that there is no anti-Americanism in Finland. "Trade is booming, and everyday contacts are becoming more vivid." There was criticism of Operation Iraqi Freedom, certainly, but the U.S. should be more concerned about the reactions of Arab nations, not the Nordics. She recalled the Committee's recent visit to Egypt, where she was "infuriated" to find open support for Osama bin Laden among some segments of the population. As to NATO, she said that persistent Cold War attitudes make it difficult for some Finns to adjust. On the other hand, other Finns question NATO's relevance for the future of trans-Atlantic relations: "If it is not so interesting to the United States, it becomes less interesting to us."

20. (U) Chairman Hyde acknowledged that NATO was formed to respond to a Soviet threat. But an organization that brings the U.S., Canada, and the nations of Europe into a single unit still has merit. The Chairman supposed that the Finnish people believe NATO membership would diminish their neutrality toward war. Representative Issa added that NATO is still relevant, whether the instability is in Sarajevo or Saudi Arabia -- it is the only bloc where all have a seat at the table, and can work together to prevent a World War II from happening again.

21. (U) MP Kiljunen said many in Europe are averse to superpowers in general. As for Finns, they feel "the black pages of our history were those where we were a front-line state in wars among the big powers." Representative Lantos countered that the issues of the 21st century will not be global war but the global war on terrorism. If a conflict begins it will be the fault of a nation like North Korea. If Finland does not share in the effort to prevent that, it is shirking its responsibility. Kiljunen protested that Finland is an active member of the United Nations. Lantos said any idea that the UN can substitute for collective defense is "unacceptable" to the U.S. Congress and people.

22. (U) Turning to the French referendum, Representative Watson commented that the "no" was an expression of discontent with the Chirac government. MP Kiljunen agreed, and added that it also seemed to be a vote against the EU in general -- which is ironic, since if there is one nation that has been synonymous with European integration and the Constitution, it is France. Chairwoman Jaakonsaari added that all the old colonial nations but France seem to realize that they are no longer world powers. There was also the Union's expansion to the east, which has caused anxiety on both the left and right. Representative Watson asked what the Europeans will do now. Kiljunen said it might also be possible to adopt parts I and II of the Constitution Treaty, and set Part III aside for a new referendum in the autumn of 2006. Renegotiation of the Treaty is "impossible." Jaakonsaari said that no referendum is planned in Finland; instead the Treaty will be submitted to the Eduskunta later this year, with approval expected this autumn.

23. (U) Jaakonsaari, noting that her Committee had recently visited China, asked for the Delegation's thoughts on the EU's arms embargo. Representative Lantos said that the United States is primarily responsible for maintaining a place in the Taiwan Strait, and "we find it appalling that the Europeans want to sell arms that could be used against us." The U.S. is attempting to quiet the more aggressive forces on both sides of the Strait, and it is unacceptable that those nations to whose aid we gave in World War II should take such a step. The arguments for it are based on "crass commercial reasons." Representative Issa compared the situation to China's admission into the WTO. Once the Chinese gained the prize they wanted, they began to backslide on their commitments. The same would be true if the EU lifted the arms embargo in return for a Chinese commitment to improve human rights or moderate its stance toward Taiwan.

Meeting with Foreign Minister -----

24. (U) FM Erkki Tuomioja thanked the CODEL for its visit, saying that when the EU ministers meet, one key issue is always how to encourage U.S.-European contacts. Our societies think they know each other well, he said, but he would feel better if there were more contacts at all levels, and particularly Americans traveling to Finland.

25. (U) Commenting on the Constitution Treaty, Tuomioja said that even today perhaps a third of Finns do not like the EU -- but Finland's membership is not an issue. Finland sees the Union as "the primary vehicle for our multilateral engagement," and the conduct of a common foreign and security

policy has the support of government and opposition alike. Moreover, there is strong public and official support for the European Security and Defense Policy, "which isn't a military alliance. For that kind of security, NATO is there," and Finland agrees with Berlin Plus. The Finns don't see any security reason for joining NATO, Tuomioja said, and although Finland will keep the option open, he still doubted that the matter would come up even in the next parliamentary session (2007-2011).

126. (U) Tuomioja said the EU should "let the French decision be, and not take any panic decisions." Some negotiation of the treaty may be necessary, but the "no" was about the French government, about Turkish membership, and about the service directive for a single market. The latter two can be decided with or without the Constitution, but still, the voters have made a point that must be taken seriously. Europe must become more transparent, and governments "more humble about things European when addressing our own citizens."

127. (U) Asked by Representative Lantos about anti-Americanism in Finland and Europe generally, the FM said that the Finns have something of a love-hate relationship with the U.S. Yet Finland has been called the most Americanized country in Europe, and even the Finnish left has been influenced by the American left. One problem is that the memory of World War II is fading, which he as a professional historian regrets. Another is that the two countries have different social models. But "multilateralism, in order to be effective, must have the U.S. on board." Tuomioja expressed apprehension about perceived American unilateralism. "To Finns, the UN is the basis for international legitimacy."

128. (U) Representative Lantos said he supported the United Nations, but it does not have the kind of legitimacy that the Finns' "idealized, textbook view" would confer upon it. Granted, the Finns would like to see such an organization emerge, but the United States does not necessarily believe that a military operation is ipso facto legitimate if endorsed by the UN and illegitimate if not so endorsed -- particularly when the Oil-for-Food scandal suggests real questions about the under-the-table financial dealings of people close to Chirac. The FM argued that Finland does recognize the UN's faults, but such an organization is needed to strengthen the rule of law. The UN has to be the source of legitimacy, and it "has gotten its act together better in recent years." The world has to move beyond the concept of sovereign nation states. All must have an open human rights record, and be subject to monitoring and sanctions if necessary. GoF itself has been taken to the Strasbourg Court from time to time, and on occasion forced to change Finnish laws. Incidentally, he added, Finland also supports the International Criminal Court as an important step in spreading the rule of law.

129. (U) Representative Watt asked what issues the CODEL should raise with the Duma. Tuomioja urged the Delegation not to shy away from discussion of human rights and democratization. He noted that Finland has worked hard on promoting a common strategy within the EU -- "If we're to have any influence on Russian developments, we must speak with one voice." This does not exclude the importance of bilateral relations, but there are no real Finnish-Russian issues right now. Finland is expecting a clear reply and an apology from Moscow regarding repeated violations of Finnish airspace, but the GoF does not see this as a military threat and does not believe it was instigated at the highest level. The FM also commented that the Finland-Russia frontier represents a sharper drop in standard of living than the U.S.-Mexico border, which brings its own problems. More and more, Finland is having to take on sole responsibility for these, as the Russians shift their border police to the south. The FM added that the Northern Dimension is all about EU-Russia relations; the Finns also are interested in and appreciate e-PINE, and look forward to further cooperation there.

130. (U) Representative Issa raised the question of the China arms embargo. Obviously, the U.S. position on lifting it is a resounding no. What are the FM's views? Tuomioja said that there is a "unanimous" feeling within the EU that the embargo has outlived its purpose. This does not mean Finland wants to see a surge in the arms trade. But the embargo "is either on or off, and if it is off, there is nothing to discuss." The GoF's position is that the Code of Conduct should be strengthened and made legally binding. The Finns believe that this would give the EU greater leverage, since human rights issues become an explicit basis for denial of an export. Finland is aware of U.S. and Taiwanese concerns and certainly does not want to upset strategic stability in East Asia. But the Finns are also aware of the high-technology exports that the arms embargo has failed to stop. "We need a better way to influence China."

131. (U) In closing, Representative Watson said she was impressed with the FM's reaction to the French referendum.

Clearly his views were well thought-out, and not a knee-jerk reaction. It will strengthen everyone if these problems can be resolved. In the meantime, she hoped Tuomioja would continue to work on bringing the nations of the Nordic-Baltic region closer together.

132. (U) The CODEL has cleared this message.
WEISBERG